

Senate File 516 - Introduced

SENATE FILE 516

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1198)

A BILL FOR

1 An Act relating to state and local finances by making
2 appropriations, providing for legal and regulatory
3 responsibilities, concerning taxation, and providing for
4 other properly related matters, and including effective date
5 and retroactive applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.

1. For the budget process applicable to the fiscal year beginning July 1, 2018, on or before October 1, 2017, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and section 8.23, subsection 1, paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.

1. For the budget process applicable to the fiscal year beginning July 1, 2019, on or before October 1, 2018, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and section 8.23, subsection 1, paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

1 2. The estimates of expenditure requirements shall be
2 in a form specified by the director of the department of
3 management, and the expenditure requirements shall include all
4 proposed expenditures and shall be prioritized by program or
5 the results to be achieved. The estimates shall be accompanied
6 by performance measures for evaluating the effectiveness of the
7 programs or results.

8 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS — FY
9 2017-2018. Notwithstanding the standing appropriations
10 in the following designated sections for the fiscal year
11 beginning July 1, 2017, and ending June 30, 2018, the amounts
12 appropriated from the general fund of the state pursuant to
13 these sections for the following designated purposes shall not
14 exceed the following amounts:

15 1. For payment of claims for nonpublic school
16 transportation under section 285.2:
17 \$ 8,197,091

18 If total approved claims for reimbursement for nonpublic
19 school pupil transportation exceed the amount appropriated in
20 accordance with this subsection, the department of education
21 shall prorate the amount of each approved claim.

22 2. For distribution for the tribal council of the Sac and
23 Fox Indian settlement for educating American Indian children
24 under section 256.30:
25 \$ 95,750

26 Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS — FY
27 2018-2019. Notwithstanding the standing appropriations
28 in the following designated sections for the fiscal year
29 beginning July 1, 2018, and ending June 30, 2019, the amounts
30 appropriated from the general fund of the state pursuant to
31 these sections for the following designated purposes shall not
32 exceed the following amounts:

33 1. For payment of claims for nonpublic school
34 transportation under section 285.2:
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1 If total approved claims for reimbursement for nonpublic
2 school pupil transportation exceed the amount appropriated in
3 accordance with this subsection, the department of education
4 shall prorate the amount of each approved claim.

5 2. For distribution for the tribal council of the Sac and
6 Fox Indian settlement for educating American Indian children
7 under section 256.30:

8 \$ 95,750

9 Sec. 5. GENERAL ASSEMBLY.

10 1. The appropriations made pursuant to section 2.12 for the
11 expenses of the general assembly and legislative agencies for
12 the fiscal year beginning July 1, 2017, and ending June 30,
13 2018, are reduced by the following amount:

14 \$ 400,000

15 2. The budgeted amounts for the general assembly and
16 legislative agencies for the fiscal year beginning July 1,
17 2017, may be adjusted to reflect the unexpended budgeted
18 amounts from the previous fiscal year.

19 3. Annual membership dues for organizations, associations,
20 and conferences shall not be paid from moneys appropriated
21 pursuant to section 2.12.

22 4. Costs for out-of-state travel and per diems for
23 out-of-state travel shall not be paid from moneys appropriated
24 pursuant to section 2.12.

25 Sec. 6. INSTRUCTIONAL SUPPORT STATE AID — FY 2017-2018. In
26 lieu of the appropriation provided in section 257.20,
27 subsection 2, the appropriation for the fiscal year
28 beginning July 1, 2017, and ending June 30, 2018, for paying
29 instructional support state aid under section 257.20 for such
30 fiscal years is zero.

31 Sec. 7. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY 2017-2018
32 — FY 2018-2019. For the fiscal year beginning July 1, 2017,
33 and ending June 30, 2018, and for the fiscal year beginning
34 July 1, 2018, and ending June 30, 2019, salary adjustments may
35 be funded using departmental revolving, trust, or special funds

1 for which the general assembly has established an operating
2 budget, provided that doing so does not exceed the operating
3 budget established by the general assembly.

4 Sec. 8. OPERATIONAL APPROPRIATIONS — REVERSION — FY
5 2016-2017. Notwithstanding section 8.62, at the close of
6 the fiscal year beginning July 1, 2016, and ending June 30,
7 2017, any balance of an operational appropriation that remains
8 unexpended or unencumbered shall not be encumbered or deposited
9 in the cash reserve fund as provided in section 8.62, but shall
10 instead revert to the general fund of the state at the close of
11 the fiscal year as provided in section 8.33.

12 Sec. 9. SPECIAL FUNDS — SALARY ADJUSTMENTS —
13 UNAPPROPRIATED MONEYS — FY 2017-2018 — FY 2018-2019. For the
14 fiscal year beginning July 1, 2017, and ending June 30, 2018,
15 and for the fiscal year beginning July 1, 2018, and ending
16 June 30, 2019, salary adjustments otherwise provided may be
17 funded as determined by the department of management using
18 unappropriated moneys remaining in the department of commerce
19 revolving fund, the gaming enforcement revolving fund, the
20 gaming regulatory revolving fund, the primary road fund, the
21 road use tax fund, the fish and game protection fund, the Iowa
22 public employees' retirement fund, and in other departmental
23 revolving, trust, or special funds for which the general
24 assembly has not made an operating budget appropriation.

25 Sec. 10. SALARY MODEL ADMINISTRATOR. The salary model
26 administrator shall work in conjunction with the legislative
27 services agency to maintain the state's salary model used for
28 analyzing, comparing, and projecting state employee salary
29 and benefit information, including information relating to
30 employees of the state board of regents. The department of
31 revenue, the department of administrative services, the five
32 institutions under the jurisdiction of the state board of
33 regents, the judicial district departments of correctional
34 services, and the state department of transportation shall
35 provide salary data to the department of management and the

1 legislative services agency to operate the state's salary
2 model. The format and frequency of provision of the salary
3 data shall be determined by the department of management and
4 the legislative services agency. The information shall be
5 used in collective bargaining processes under chapter 20 and
6 in calculating the funding needs contained within the annual
7 salary adjustment legislation. A state employee organization
8 as defined in section 20.3, subsection 4, may request
9 information produced by the model, but the information provided
10 shall not contain information attributable to individual
11 employees.

12 Sec. 11. Section 257.35, Code 2017, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 11A. Notwithstanding subsection 1, and in
15 addition to the reduction applicable pursuant to subsection
16 2, the state aid for area education agencies and the portion
17 of the combined district cost calculated for these agencies
18 for the fiscal year beginning July 1, 2017, and ending June
19 30, 2018, shall be reduced by the department of management by
20 fifteen million dollars. The reduction for each area education
21 agency shall be prorated based on the reduction that the agency
22 received in the fiscal year beginning July 1, 2003.

23 Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision
24 or provisions of this division of this Act, being deemed of
25 immediate importance, take effect upon enactment:

26 1. The section of this division of this Act reverting to
27 the general fund any unexpended or unencumbered moneys from
28 operational appropriations.

29 DIVISION II

30 MISCELLANEOUS APPROPRIATIONS

31 Sec. 13. TRANSFER FROM CASH RESERVE FUND. Notwithstanding
32 section 8.56, subsections 3 and 4, there is transferred from
33 the cash reserve fund created in section 8.56 to the general
34 fund of the state for the fiscal year beginning July 1, 2016,
35 and ending June 30, 2017, the following amount:

1 \$131,100,000

2 Sec. 14. APPROPRIATION TO CASH RESERVE FUND. There is
3 appropriated from the general fund of the state to the cash
4 reserve fund created in section 8.56 for the fiscal year
5 beginning July 1, 2017, and ending June 30, 2018, the following
6 amount:

7 \$ 20,000,000

8 Sec. 15. GUBERNATORIAL TRANSITION. There is appropriated
9 from the general fund of the state to the offices of the
10 governor and the lieutenant governor for the fiscal year
11 beginning July 1, 2017, and ending June 30, 2018, the following
12 amount, or so much thereof as is necessary, to be used for the
13 purposes designated:

14 For expenses incurred during the gubernatorial transition:
15 \$ 150,000

16 Sec. 16. EFFECTIVE UPON ENACTMENT. The following provision
17 or provisions of this division of this Act, being deemed of
18 immediate importance, take effect upon enactment:

19 1. The section of this division of this Act transferring
20 moneys from the cash reserve fund to the general fund of the
21 state.

22 DIVISION III

23 MISCELLANEOUS PROVISIONS

24 Sec. 17. Section 2.43, unnumbered paragraph 1, Code 2017,
25 is amended to read as follows:

26 The legislative council in cooperation with the officers of
27 the senate and house shall have the duty and responsibility for
28 preparing for each session of the general assembly. Pursuant
29 to such duty and responsibility, the legislative council
30 shall assign the use of areas in the state capitol except for
31 the areas used by the governor as of January 1, 1986, and by
32 ~~the courts as of July 1, 2003,~~ and, in consultation with the
33 director of the department of administrative services and the
34 capitol planning commission, may assign areas in other state
35 office buildings for use of the general assembly or legislative

1 agencies. The legislative council shall provide the courts
2 with use of space in the state capitol for ceremonial purposes.
3 The legislative council may authorize the renovation,
4 remodeling and preparation of the physical facilities used or
5 to be used by the general assembly or legislative agencies
6 subject to the jurisdiction of the legislative council and
7 award contracts pursuant to such authority to carry out such
8 preparation. The legislative council may purchase supplies and
9 equipment deemed necessary for the proper functioning of the
10 legislative branch of government.

11 Sec. 18. Section 8A.322, subsection 2, Code 2017, is amended
12 to read as follows:

13 2. Except for buildings and grounds described in section
14 216B.3, subsection 6; [section 2.43](#), unnumbered paragraph 1; and
15 any buildings under the custody and control of the Iowa public
16 employees' retirement system, the director shall assign office
17 space at the capitol, other state buildings, and elsewhere in
18 the city of Des Moines, and the state laboratories facility
19 in Ankeny, for all executive and judicial state agencies.
20 Assignments may be changed at any time. The various officers
21 to whom rooms have been so assigned may control the same while
22 the assignment to them is in force. Official apartments shall
23 be used only for the purpose of conducting the business of the
24 state. The term "*capitol*" or "*capitol building*" as used in the
25 Code shall be descriptive of all buildings upon the capitol
26 grounds. The capitol building itself is reserved for the
27 operations of the general assembly, and the governor, and, for
28 ceremonial purposes, for the courts and the. The assignment
29 and use of physical facilities for the general assembly shall
30 be pursuant to [section 2.43](#).

31 Sec. 19. Section 8C.7A, subsection 3, paragraph b,
32 unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate
33 File 431, is amended to read as follows:

34 An authority shall not require a person to apply for or
35 enter into an individual license, franchise, or other agreement

1 with the authority or any other entity for the siting of
2 a small wireless facility on a utility pole located in a
3 public right-of-way. However, an authority may, through the
4 conditions set forth in a ~~building~~ permit obtained pursuant to
5 this subsection, do any of the following:

6 Sec. 20. NEW SECTION. **9.4A Technology modernization fund.**

7 1. A technology modernization fund is created in the state
8 treasury under the control of the secretary of state. Moneys
9 in the fund are appropriated to the secretary of state for
10 purposes of modernizing technology used by the secretary of
11 state to fulfill the duties of office.

12 2. On and after July 1, 2017, any increased fee amount
13 collected by the secretary of state shall be credited to the
14 technology modernization fund. From each fee collected, the
15 amount credited to the fund equals the difference between the
16 fee amount collected and the amount assessed for the same fee
17 on June 30, 2017.

18 3. Each fiscal year, not more than two million dollars shall
19 be credited to the fund.

20 4. This section is repealed July 1, 2022.

21 Sec. 21. Section 15.329, subsection 1, paragraph f, Code
22 2017, is amended to read as follows:

23 *f.* The business shall not be a retail business or a business
24 where entrance is limited by a cover charge or membership
25 requirement. For purposes of this paragraph, a business
26 operated for the purpose of fulfilling customer orders is not a
27 retail business or a retail operation.

28 Sec. 22. Section 321N.4, subsection 6, Code 2017, is amended
29 to read as follows:

30 6. Insurance maintained under ~~this chapter~~ shall be
31 provided by an insurer governed by ~~chapter 515 or 518~~, or by
32 a surplus lines insurer governed by ~~chapter 515I~~. ~~A surplus~~
33 ~~lines insurer that issues a policy pursuant to this section~~
34 ~~shall be considered an insurance carrier duly authorized to~~
35 ~~transact business in this state for the purposes of chapter~~

1 ~~321A.~~

2 Sec. 23. Section 481A.38, Code 2017, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 4. The commission shall not restrict or
5 prohibit hunting on specific private property generally or for
6 the hunting of a particular wild animal, so long as the person
7 hunting on that property is otherwise qualified to hunt in
8 this state, purchases a valid hunting license that includes
9 the wildlife habitat fee and a valid hunting license for the
10 type of wild animal being hunted, if applicable, and adheres to
11 all municipal, county, state, and federal regulations that are
12 applicable to hunting and specifically applicable to the type
13 of wild animal being hunted, including but not limited to daily
14 limits, possession limits, shooting hours, methods of take, and
15 transportation of a carcass.

16 Sec. 24. ALCOHOLIC BEVERAGE CONTROL — STUDY.

17 1. The alcoholic beverages division of the department of
18 commerce, in conjunction with other stakeholders the division
19 deems necessary, shall conduct a study concerning enforcement
20 issues related to alcoholic beverage control, including
21 consideration of the manner of properly balancing appropriate
22 regulation of the manufacturing, distribution, and sale of
23 alcoholic liquor, wine, and beer in this state with emerging
24 trends in the industry.

25 2. In conducting the study, the division shall consider
26 any other relevant issues the division identifies for study,
27 issues relating to the three-tiered system and section 123.45,
28 as it impacts the ability of manufacturers, wholesalers, and
29 retailers to meet changing marketplace conditions and business
30 opportunities.

31 3. By July 1, 2018, the division shall submit a final report
32 to the general assembly. The report shall provide the results
33 of the study including any findings and recommendations.

34 4. The administrator may exercise discretion on a
35 case-by-case basis and elect to not enforce section 123.45

1 the employment, training, or education needs of individuals
2 with barriers to employment as defined in the federal Workforce
3 Innovation and Opportunity Act, Pub. L. No. 113-128, §3(24),
4 including but not limited to organizations that serve veterans,
5 or that provide or support competitive, integrated employment
6 for individuals with disabilities; or that serve eligible
7 youth, as defined in the federal Workforce Innovation and
8 Opportunity Act, Pub. L. No. 113-128, §3(18), including
9 representatives of organizations that serve out-of-school
10 youth, as defined in the federal Workforce Innovation and
11 Opportunity Act, Pub. L. No. 113-128, §129(a)(1)(B).

12 Sec. 30. Section 225D.1, subsection 8, Code 2017, as amended
13 by 2017 Iowa Acts, House File 215, section 1, is amended to
14 read as follows:

15 8. "*Eligible individual*" means a child less than fourteen
16 years of age who has been diagnosed with autism based on a
17 diagnostic assessment of autism, is not otherwise eligible for
18 coverage for applied behavioral analysis treatment or applied
19 behavior analysis treatment under the medical assistance
20 program, [section 514C.28](#), [514C.31](#), or other private insurance
21 coverage, and whose household income does not exceed five
22 hundred percent of the federal poverty level.

23 Sec. 31. 2017 Iowa Acts, House File 488, section 57, as
24 enacted, is amended by striking the section and inserting in
25 lieu thereof the following:

26 SEC. 57. Section 455B.474, subsection 2, paragraph a,
27 subparagraph (1), Code 2017, is amended to read as follows:

28 (1) (a) Financial responsibility required by this
29 subsection may be established in accordance with rules adopted
30 by the commission by any one, or any combination, of the
31 following methods: ~~insurance, guarantee, surety bond, letter~~

32 (i) Insurance.

33 (ii) Guarantee.

34 (iii) Surety bond.

35 (iv) Letter of credit, ~~or qualification.~~

1 Iowa Acts, House File 517, section 22, is amended to read as
2 follows:

3 1. The application for a permit to acquire pistols or
4 revolvers may be made to the sheriff of the county of the
5 applicant's residence and shall be on a form prescribed
6 and published by the commissioner of public safety. The
7 application shall require only the full name of the applicant,
8 the driver's license or nonoperator's identification card
9 number of the applicant, the residence of the applicant, and
10 the date and place of birth of the applicant, and whether the
11 applicant meets the criteria specified in section 724.15.

12 The applicant shall also display an identification card that
13 bears a distinguishing number assigned to the cardholder, the
14 full name, date of birth, sex, residence address, and brief
15 description and color photograph of the cardholder, or other
16 identification as specified by rule of the department of public
17 safety. The sheriff shall conduct a criminal history check
18 concerning each applicant by obtaining criminal history data
19 from the department of public safety which shall include an
20 inquiry of the national instant criminal background check
21 system maintained by the federal bureau of investigation or any
22 successor agency. A person who makes what the person knows
23 to be a false statement of material fact on an application
24 submitted under [this section](#) or who submits what the person
25 knows to be any materially falsified or forged documentation in
26 connection with such an application commits a class "D" felony.

27 Sec. 37. Section 724.22, subsection 9, as enacted by 2017
28 Iowa Acts, House File 517, section 29, is amended to read as
29 follows:

30 9. A parent, guardian, spouse, or instructor, who knowingly
31 provides direct supervision under subsection 5, of a person
32 while intoxicated as provided under the conditions set out
33 in section 321J.2, subsection 1, ~~or under the influence of~~
34 ~~an illegal drug~~ paragraph "a", "b", or "c", commits child
35 endangerment in violation of section 726.6, subsection 1,

1 paragraph "i".

2 Sec. 38. Section 726.6, subsection 1, paragraph i, as
3 enacted by 2017 Iowa Acts, House File 517, section 30, is
4 amended to read as follows:

5 *i.* Knowingly provides direct supervision of a person under
6 section 724.22, subsection 5, while intoxicated as provided
7 under the conditions set out in section 321J.2, subsection 1,
8 ~~or under the influence of an illegal drug~~ paragraph "a", "b",
9 or "c".

10 Sec. 39. 2017 Iowa Acts, House File 517, section 50,
11 subsection 1, as enacted, is amended to read as follows:

12 1. The ~~section~~ sections of this Act amending ~~section~~
13 sections 724.22 and 726.6.

14 Sec. 40. REPEAL. 2017 Iowa Acts, House File 517, section
15 16, as enacted, is repealed.

16 Sec. 41. EFFECTIVE UPON ENACTMENT. The section of this
17 division of this Act amending 2017 Iowa Acts, House File 517,
18 section 50, subsection 1, being deemed of immediate importance,
19 takes effect upon enactment.

20 Sec. 42. RETROACTIVE APPLICABILITY. The section of this
21 division of this Act amending 2017 Iowa Acts, House File 517,
22 section 50, subsection 1, applies retroactively to April 13,
23 2017.

24 DIVISION VI

25 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS — TAX

26 Sec. 43. Section 453A.1, Code 2017, is amended by adding the
27 following new subsection:

28 NEW SUBSECTION. 7A. "*Delivery sale*" means any sale of
29 an alternative nicotine product or a vapor product to a
30 purchaser in this state where the purchaser submits the order
31 for such sale by means of a telephonic or other method of
32 voice transmission, mail or any other delivery service, or the
33 internet or other online service and the alternative nicotine
34 product or vapor product is delivered by use of mail or a
35 delivery service. The sale of an alternative nicotine product

1 or vapor product shall constitute a delivery sale regardless of
2 whether the seller is located in this state. "Delivery sale"
3 does not include a sale to a distributor or retailer of any
4 alternative nicotine product or vapor product not for personal
5 consumption.

6 Sec. 44. Section 453A.1, subsection 20, Code 2017, is
7 amended to read as follows:

8 20. "Place of business" is construed to mean and include any
9 place where cigarettes are sold or where cigarettes are stored
10 within or without the state of Iowa by the holder of an Iowa
11 permit or kept for the purpose of sale or consumption; or if
12 sold from any vehicle or train, the vehicle or train on which
13 or from which such cigarettes are sold shall constitute a place
14 of business; or for a business within or without the state that
15 conducts delivery sales, any place where alternative nicotine
16 products or vapor products are sold or where alternative
17 nicotine products or vapor products are kept for the purpose
18 of sale.

19 Sec. 45. Section 453A.13, subsection 1, Code 2017, is
20 amended to read as follows:

21 1. *Permits required.* Every distributor, wholesaler,
22 cigarette vendor, and retailer, now engaged or who desires to
23 become engaged in the sale or use of cigarettes, upon which a
24 tax is required to be paid, and every retailer now engaged or
25 who desires to become engaged in selling, offering for sale, or
26 distributing alternative nicotine products or vapor products,
27 including through delivery sales, shall obtain a state or
28 retail permit as a distributor, wholesaler, cigarette vendor,
29 or retailer, as the case may be.

30 Sec. 46. Section 453A.13, subsection 2, paragraph a, Code
31 2017, is amended to read as follows:

32 a. The department shall issue state permits to distributors,
33 wholesalers, and cigarette vendors and retailers that make
34 delivery sales of alternative nicotine products and vapor
35 products subject to the conditions provided in [this division](#).

1 If an out-of-state retailer makes delivery sales of alternative
2 nicotine products or vapor products, an application shall be
3 filed with the department and a permit shall be issued for the
4 out-of-state retailer's principal place of business. Cities
5 may issue retail permits to ~~dealers~~ retailers with a place of
6 business located within their respective limits. County boards
7 of supervisors may issue retail permits to ~~dealers~~ retailers
8 with a place of business in their respective counties, outside
9 of the corporate limits of cities.

10 Sec. 47. Section 453A.42, Code 2017, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 2A. *"Delivery sale"* means any sale of
13 an alternative nicotine product or a vapor product to a
14 purchaser in this state where the purchaser submits the order
15 for such sale by means of a telephonic or other method of
16 voice transmission, mail or any other delivery service, or the
17 internet or other online service and the alternative nicotine
18 product or vapor product is delivered by use of mail or a
19 delivery service. The sale of an alternative nicotine product
20 or vapor product shall constitute a delivery sale regardless of
21 whether the seller is located in this state. *"Delivery sale"*
22 does not include a sale to a distributor or retailer of any
23 alternative nicotine product or vapor product not for personal
24 consumption.

25 Sec. 48. Section 453A.42, subsection 8, Code 2017, is
26 amended to read as follows:

27 8. *"Place of business"* means any place where tobacco
28 products are sold or where tobacco products are manufactured,
29 stored, or kept for the purpose of sale or consumption,
30 including any vessel, vehicle, airplane, train, or vending
31 machine; or for a business within or without the state that
32 conducts delivery sales, any place where alternative nicotine
33 products or vapor products are sold or where alternative
34 nicotine products or vapor products are kept for the purpose of
35 sale, including delivery sales.

1 Sec. 49. Section 453A.47A, subsections 1, 3, and 6, Code
2 2017, are amended to read as follows:

3 1. *Permits required.* A person shall not engage in
4 the business of a retailer of tobacco, tobacco products,
5 alternative nicotine products, or vapor products at any place
6 of business, or through delivery sales, without first having
7 received a permit as a retailer.

8 3. *Number of permits.* An application shall be filed and a
9 permit obtained for each place of business owned or operated by
10 a retailer located in the state. If an out-of-state retailer
11 makes delivery sales of alternative nicotine products or vapor
12 products, an application shall be filed with the department
13 and a permit shall be issued for the out-of-state retailer's
14 principal place of business.

15 6. *Issuance.* Cities ~~shall~~ may issue retail permits to
16 retailers located within their respective limits. County
17 boards of supervisors ~~shall~~ may issue retail permits to
18 retailers located in their respective counties, outside of the
19 corporate limits of cities. The city or county shall submit a
20 duplicate of any application for a retail permit and any retail
21 permit issued by the entity under **this section** to the alcoholic
22 beverages division of the department of commerce within thirty
23 days of issuance. The alcoholic beverages division of the
24 department of commerce shall submit the current list of all
25 retail permits issued to the Iowa department of public health
26 by the first day of each quarter of a state fiscal year.

27 Sec. 50. NEW SECTION. **453A.47B Requirements for mailing or**
28 **shipping — alternative nicotine products or vapor products.**

29 1. A retailer shall not mail, ship, or otherwise cause to
30 be delivered any alternative nicotine product or vapor product
31 in connection with a delivery sale unless all of the following
32 apply:

33 a. Prior to sale to the purchaser, the retailer verifies
34 that the purchaser is at least eighteen years of age through or
35 by one of the following:

1 (1) A commercially available database, or aggregate of
2 databases, that is regularly used by government and businesses
3 for the purpose of age and identity verification.

4 (2) Obtaining a copy of a valid government-issued document
5 that provides the name, address, and date of birth of the
6 purchaser.

7 b. The retailer uses a method of mailing, shipping, or
8 delivery that requires the signature of a person who is at
9 least eighteen years of age before the shipping package is
10 released to the purchaser.

11 Sec. 51. NEW SECTION. 453A.47C Sales and use tax on
12 delivery sales — alternative nicotine products or vapor
13 products.

14 1. A delivery sale of alternative nicotine products or vapor
15 products within this state shall be subject to the sales tax
16 provided in chapter 423, subchapter II.

17 2. The use in this state of alternative nicotine products
18 or vapor products purchased for use in this state through a
19 delivery sale shall be subject to the use tax provided in
20 chapter 423, subchapter III.

21 3. A retailer required to possess or possessing a permit
22 under section 453A.13 or 453A.47A to make delivery sales of
23 alternative nicotine products or vapor products within this
24 state shall be deemed to have waived all claims that such
25 retailer lacks physical presence within this state for purposes
26 of collecting and remitting sales and use tax.

27 4. A retailer making taxable delivery sales of alternative
28 nicotine products or vapor products within this state shall
29 remit to the department all sales and use tax due on such sales
30 at the times and in the manner provided by chapter 423.

31 5. The director shall adopt rules pursuant to chapter 17A to
32 administer this section.

33 DIVISION VII

34 BALLOT ARRANGEMENT FOR CERTAIN PARTISAN OFFICES

35 Sec. 52. Section 49.31, subsection 1, Code 2017, is amended

1 to read as follows:

2 1. *a.* All ballots shall be arranged with the names of
3 candidates for each office listed below the office title.
4 For partisan elections the name of the political party or
5 organization which nominated each candidate shall be listed
6 after or below each candidate's name.

7 *b.* (1) The commissioner shall determine the order of
8 political parties and ~~nonparty political organizations~~ on the
9 ballot as provided under this paragraph "b". The sequence shall
10 be the same for each office on the ballot and for each precinct
11 in the county voting in the election. The commissioner shall
12 arrange the ballot so that the candidates of each political
13 party, as defined in section 43.2, for each partisan office
14 appearing on the ballot shall appear in descending order so
15 that the candidates of the political party whose registered
16 voters voted in the greatest number in the commissioner's
17 county at the preceding election described in section 39.9
18 shall appear first on the ballot, and the candidates of the
19 political party whose registered voters voted in the next
20 greatest number in the commissioner's county at such election
21 appear next on the ballot, and continuing in descending order
22 in the same manner.

23 (2) The commissioner shall determine the number of
24 registered voters from each political party who voted at each
25 election described in section 39.9 after the state registrar
26 has updated information on participation pursuant to section
27 48A.38, subsection 2, following such an election.

28 (3) If the number of registered voters from two or more
29 political parties voted in the same number in the county, the
30 commissioner shall determine the order of arranging political
31 party candidates for those political parties based upon the
32 numbers of registered voters who voted in the most recent
33 election described in section 39.9 for which the number of
34 registered voters from those political parties who voted in
35 such an election were different.

1 c. The commissioner shall determine the order of nonparty
2 political organizations on the ballot. The sequence shall be
3 the same for each office on the ballot and for each precinct in
4 the county voting in the election.

5 Sec. 53. Section 49.31, subsection 2, paragraph b, Code
6 2017, is amended to read as follows:

7 b. The Notwithstanding any provision of subsection 1,
8 paragraph "b", to the contrary, the commissioner shall then
9 arrange the surnames of each political party's candidates for
10 each office to which two or more persons are to be elected at
11 large alphabetically for the respective offices for the first
12 precinct on the list; thereafter, for each political party and
13 for each succeeding precinct, the names appearing first for
14 the respective offices in the last preceding precinct shall
15 be placed last, so that the names that were second before the
16 change shall be first after the change. The commissioner may
17 also rotate the names of candidates of a political party in the
18 reverse order of that provided in **this subsection** or alternate
19 the rotation so that the candidates of different parties shall
20 not be paired as they proceed through the rotation. The
21 procedure for arrangement of names on ballots provided in this
22 section shall likewise be substantially followed in elections
23 in political subdivisions of less than a county.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill relates to state and local finances by
28 making appropriations, providing for legal and regulatory
29 responsibilities, concerning taxation, and providing for other
30 properly related matters. The bill is organized by divisions.

31 STANDING APPROPRIATIONS AND RELATED MATTERS. For the budget
32 process applicable to FY 2017-2018 and FY 2018-2019, state
33 agencies are required to submit estimates and other expenditure
34 information as called for by the director of the department
35 of management instead of the information required under Code

1 section 8.23.

2 The bill limits standing appropriations for FY 2017-2018
3 and FY 2018-2019 made for payment of nonpublic school
4 transportation claims and for distribution for the tribal
5 council of the Sac and Fox Indian settlement for educating
6 American Indian children.

7 The bill reduces the standing unlimited appropriation for FY
8 2017-2018 made for expenses of the general assembly under Code
9 section 2.12.

10 The bill limits the standing appropriation for paying
11 instructional support state aid to zero for FY 2017-2018.

12 The bill allows salary adjustments to be funded using
13 departmental revolving, trust, or special funds for which the
14 general assembly has established an operating budget for FY
15 2017-2018 and FY 2018-2019.

16 The bill requires any balance of an operational
17 appropriation that remains unexpended or unencumbered shall
18 not be encumbered or deposited in the cash reserve fund as
19 provided in Code section 8.62, but shall instead revert to the
20 general fund of the state at the close of the fiscal year for FY
21 2016-2017. This provision takes effect upon enactment.

22 The bill allows salary adjustments otherwise provided to
23 be funded as determined by the department of management using
24 unappropriated moneys remaining in the department of commerce
25 revolving fund, the gaming enforcement revolving fund, the
26 gaming regulatory revolving fund, the primary road fund, the
27 road use tax fund, the fish and game protection fund, the Iowa
28 public employees' retirement fund, and in other departmental
29 revolving, trust, or special funds for which the general
30 assembly has not made an operating budget appropriation for FY
31 2017-2018 and FY 2018-2019.

32 The bill requires the salary model administrator to work in
33 conjunction with the legislative services agency to maintain
34 the state's salary model used for analyzing, comparing, and
35 projecting state salary and benefit information.

1 The bill reduces state aid for the area education agencies
2 and the portion of the combined district cost calculated for
3 these agencies for FY 2017-2018 by \$15 million.

4 MISCELLANEOUS APPROPRIATIONS. The bill transfers moneys
5 from the cash reserve fund to the general fund of the state for
6 FY 2016-2017. This provision takes effect upon enactment.

7 The bill appropriates moneys from the general fund of the
8 state to the cash reserve fund for FY 2017-2018.

9 The bill appropriates moneys to the offices of the governor
10 and lieutenant governor for purposes of expenses incurred
11 during the gubernatorial transition for FY 2017-2018.

12 MISCELLANEOUS PROVISIONS. Currently, the courts are
13 assigned space in the capitol building. The bill eliminates
14 the assignment of space and requires the legislative council to
15 provide the courts with use of space in the state capitol for
16 ceremonial purposes.

17 The bill amends 2017 Iowa Acts, Senate File 431, if enacted,
18 relating to small wireless facilities. The bill changes a
19 reference to "building permit" to read "permit".

20 The bill creates a technology modernization fund. Moneys
21 in the fund are appropriated to the secretary of state to be
22 used for modernizing technology used by the secretary of state
23 to fulfill the duties of office. On and after July 1, 2017,
24 any increased fee amount collected by the secretary of state
25 is credited to the technology modernization fund. From each
26 fee collected, the amount credited to the fund equals the
27 difference between the fee amount collected and the amount
28 assessed for the same fee on June 30, 2017. Each fiscal year,
29 not more than \$2 million shall be credited to the fund. The
30 fund is repealed July 1, 2022.

31 The bill exempts a business operated for the purpose of
32 fulfilling customer orders from being considered a retail
33 business under the eligibility requirements for incentives or
34 assistance under the high quality jobs program.

35 Currently, under Code section 321N.4, insurance coverage

1 maintained by a transportation network company must be provided
2 by an insurer governed by Code chapter 515 or 518, or by a
3 surplus lines insurer governed by Code chapter 515I, and such
4 surplus lines insurers are considered insurance carriers duly
5 authorized to transact business for purposes of Code chapter
6 321A. The bill eliminates the reference to Code chapter 518
7 and eliminates the reference to surplus lines insurers being
8 considered insurance carriers authorized to transact business
9 for purposes of Code chapter 321A.

10 The bill provides that the natural resource commission shall
11 not restrict or prohibit hunting on specific private property
12 generally or for the hunting of a particular wild animal, so
13 long as the hunter is otherwise qualified to hunt in this
14 state, purchases a valid hunting license that includes the
15 wildlife habitat fee and a valid hunting license for the type
16 of wild animal being hunted, if applicable, and adheres to all
17 municipal, county, state, and federal regulations applicable to
18 the hunting and to the type of wild animal being hunted.

19 The bill requires the alcoholic beverages division of the
20 department of commerce, in conjunction with other stakeholders
21 the division deems necessary, to conduct a study concerning
22 enforcement issues related to alcoholic beverage control,
23 including consideration of the manner of properly balancing
24 appropriate regulation of the manufacturing, distribution, and
25 sale of alcoholic liquor, wine, and beer in this state with
26 emerging trends in the industry. The bill includes reporting
27 requirements. The bill allows the division administrator to
28 exercise discretion on a case-by-case basis and elect to not
29 enforce Code section 123.45 during the period of such study
30 upon a finding that an applicant does not pose a risk to public
31 health or safety.

32 The bill requires sexual abuse evidence kits identified
33 through an inventory conducted pursuant to 2016 Iowa Acts,
34 chapter 1042, to be maintained indefinitely.

35 The bill repeals Code sections requiring the integration of

1 fine arts within, on, or about the total environment of the
2 construction of a state building.

3 CORRECTIVE PROVISIONS. Code section 22.13A(5)(b), as
4 enacted by 2017 Iowa Acts, House File 291, section 51, is
5 amended to correct an internal reference to the subparagraphs
6 of a preceding paragraph in this provision relating to
7 personnel settlement agreements. The amendment is made
8 effective upon enactment of the bill.

9 Code section 73A.26, as enacted by 2017 Iowa Acts, Senate
10 File 438, section 6, is amended to correct a reference to the
11 new subchapter created in the bill relating to the construction
12 of public improvements. The amendment is made effective upon
13 enactment of the bill.

14 Code section 84A.1A(1)(a)(8)(b)(iii), as enacted by 2017
15 Iowa Acts, House File 572, section 1, is amended to correct
16 a grammatical construction describing serving or providing
17 support to two different populations, veterans and individuals
18 with disabilities, in a provision relating to the appointment
19 of representatives to the Iowa workforce development board.
20 The amendment is made effective upon enactment of the bill.

21 Code section 225D.1(8), as amended by 2017 Iowa Acts, House
22 File 215, section 1, is amended to refer to "other" private
23 insurance coverage to match other references in the bill to
24 such coverage in this provision relating to health insurance
25 coverage for autism spectrum disorder. The amendment is made
26 effective January 1, 2018, to coincide with the effective date
27 of the amendment in House File 215.

28 2017 Iowa Acts, House File 488, section 57, the
29 nonsubstantive Code editor's bill, as enacted, is amended
30 to correctly include the words "surety bond", which were
31 inadvertently omitted from a newly created numeric list of
32 methods to meet financial responsibility requirements in this
33 provision relating to underground storage tanks.

34 WEAPONS. This division relates to 2017 Iowa Acts, House File
35 517, dealing with weapons.

1 The amendment to Code section 724.17 is in response to State
2 v. Downey, (Iowa Supreme Court No. 15-1585) relating to an
3 application for a permit to acquire pistols and revolvers.
4 For purposes of completing the application and in addition to
5 the requirements of the application including the applicant's
6 full name, driver's license or nonoperator's identification
7 card number, residence, and date and place of birth, the bill
8 requires that such an application for a permit to acquire
9 include whether the applicant is able to meet the criteria
10 specified in Code section 724.15 (requirements for issuance of
11 permit to acquire pistols or revolvers). Under current law and
12 the bill, an applicant who knowingly makes a false statement
13 of material fact on the application for a permit to acquire
14 pistols and revolvers or who submits what the applicant knows
15 to be any materially falsified or forged documentation in
16 connection with such an application commits a class "D" felony.

17 The definition of "peace officer" in Code section 724.2A,
18 with respect to the carrying of weapons under Code section
19 724.4, is amended to apply to peace officers whether certified
20 or awaiting certification.

21 The descriptions of intoxication in Code sections 724.4C
22 (carrying of firearms), 724.22 (while supervising a minor in
23 possession of a pistol or revolver), and 726.6 (commission of
24 child endangerment while so supervising a minor) are amended
25 to specify that the conditions of intoxication are set out in
26 Code section 321J.2(1)(a),(b), or (c), which relate to the
27 presence of alcohol or drugs in a person and do not relate to
28 the condition of operating a motor vehicle.

29 Two mostly duplicative provisions are contained in House
30 File 517 that relate to the awarding of court costs and
31 attorney fees with regard to disputes in the issuance of
32 permits to carry and to acquire. The second provision in
33 section 27 of House File 517 is more complete, including
34 withdrawals of appeals by applicants. The first more
35 incomplete provision of the two is repealed.

1 Two sections of House File 517 amend Code section 724.22
2 relating to the supervised possession of a pistol or revolver
3 by a person under the age of 21. However, the immediate
4 effective date provision of the bill only recognizes that
5 one section of the bill amends Code section 724.22. Section
6 29 of the bill relates to civil liability and the commission
7 of child endangerment by a person supervising a person
8 under the age of 21. The amendment makes certain that all
9 amendments in House File 517 affecting Code sections 724.22
10 (supervision, liability, and child endangerment) and 726.6
11 (child endangerment) take effect upon the enactment of the bill
12 and apply retroactively to April 13, 2017.

13 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS — DELIVERY SALES
14 — TAX. The bill regulates the delivery sale, as defined in
15 the bill, of alternative nicotine products and vapor products
16 by sellers within and without the state through a permitting
17 process for retailers making delivery sales and through age
18 verification requirements. The bill also subjects the delivery
19 sale of alternative nicotine products and vapor products to
20 sales and use tax.

21 BALLOT ARRANGEMENT FOR CERTAIN PARTISAN OFFICES. The bill
22 relates to the arrangement of election ballots for certain
23 partisan offices. Under the bill, a county commissioner is
24 required to arrange the ballot so that the candidates of
25 each political party for most partisan offices appearing on
26 the ballot appear in descending order so that the candidates
27 of the political party whose registered voters voted in the
28 greatest number in the commissioner's county at the preceding
29 gubernatorial election appear first on the ballot, and the
30 candidates of the political party whose registered voters voted
31 in the next greatest number in the commissioner's county at
32 such election appear next on the ballot, and continuing in
33 descending order in the same manner.